

**THE HOSPITAL AND LIBRARY IN MANCHESTER
FOUNDED BY HUMPHREY CHETHAM ESQ
AND INCORPORATED BY KING CHARLES II**

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 August 2023

**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II
ANNUAL REPORT OF THE FEOFFEEES
For the year ended 31 August 2023**

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For the year ended 31 August 2023**

The Feoffees and School Governing Body present their annual report for the year ended 31 August 2023 under the Charities Act 2011, together with the audited financial statements for the year and confirm that the latter comply with the requirements of the Act, the Charity Commission Scheme dated 27 May 1952 and amended Scheme dated 22 October 1969 and the Charities SORP 2015.

Reference and administrative details

The Feoffees who served during the year and up to the date of signing the accounts were as follows:

P.A. Lee, Esq.	(Chairman)
H. Ross, Esq.	(Vice Chairman)
Mrs. V. Torevell	(Treasurer)
M. Edge, Esq.	
The Rt. Hon. The Earl of Derby	
Mrs V. Goldstone	
The Very Reverend R. Govender	
Dr. D. Hill	
J. Langridge, Esq.	
N. MacInnes, Esq.	
Prof. L. Merrick	
T. News, Esq.	
R. Websdale	

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School Governing Body

Under the terms of the Charity Commission Scheme, there is a School Governing Body managing the School of the Foundation, which, when complete, comprises nineteen members.

Those who served during the year and up to the date of signing the accounts were as follows:

M. Edge, Esq.	(Chair)
Mrs. V. Torevell	(Treasurer)
Ms. S. Barnes	
Mrs. C. Baxendale	
Prof. B. Brennan	(Appointed by the School Governing Body)
Councillor J. Davies	(Nominated by Manchester City Council)
Mrs. E. Halstead	
K. Jaquiss, Esq.	
Prof. L. Merrick	(Appointed by the School Governing Body)
L. Pratt, Esq.	
H. Ross, Esq.	
Ms. K. Russell	
N. Shepherd, Esq.	
L. Stephens, Esq.	
Canon M. Wall	(Nominated by the Dean and Chapter of Manchester Cathedral)
Dr. S. Zhi	
M. Corran	

Library Committee

Those who served on the Library Committee during the year and up to the date of signing the accounts were as follows:

Mrs. V. Goldstone	(Chair)
N. Barker, Esq.	
Professor J. Bergin	
N. Brooks-Sykes, Esq.	
J. Hodgson, Esq.	
N. MacInnes, Esq.	
Dr. R. Oates	
Mrs. C. Paynton	
Professor M. Schmidt	

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Officers

Joint Principal	T. Redmond, Esq.
Joint Principal	Ms. N. Smith
Director of Finance	Mr. A. Ross
The Librarian	J. Simpson
The Clerk to the Feoffees	J. Aldersley, Esq.

Principal Office Address

Chetham's Hospital School and Library
Long Millgate
Manchester
M3 1SB

Advisers

Bankers

National Westminster Bank plc
182 Deansgate
Manchester
M3 3LY

Solicitors

Butcher & Barlow LLP
3 Royal Mews
Gadbrook Park
Northwich
Cheshire
CW9 7UD

Veale Wasbrough Vizards LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

Auditors of the Charitable Foundation

Crowe U.K. LLP
The Lexicon
Mount Street
Manchester
M2 5NT

Investment Managers

Rathbone Brothers PLC
Port of Liverpool Building
Pier Head
Liverpool
L3 1NW

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Insurance Brokers

Marsh Commercial
Kabel House
15 Quay Street
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Structure, governance and management

Governing document and structure

The full name of this charitable foundation is "The Hospital and Library in Manchester founded by Humphrey Chetham, Esq. and Incorporated by King Charles II" (Registered Charity Number 526702).

The Foundation, including the School, is regulated by a Charity Commission Scheme dated 27 May 1952, and amended by a Scheme dated 22 October 1969.

Chetham's Hospital, Chetham's School of Music and Chetham's Library are separate charities but are registered under one Charity Number, following a Uniting Direction issued by the Charities Commission in 2004 for registration and accounting purposes.

The Trustees of the Hospital and Library charities, who are known as the Feoffees, are a Body Corporate, pursuant to Letters Patent of King Charles II, dated 10 November 1665.

Chetham's Hall Limited is a subsidiary undertaking that is a wholly owned subsidiary of Chetham's Hospital.

Chetham's Trading Limited is a subsidiary undertaking that is a wholly owned subsidiary of Chetham's School of Music.

Governing bodies

The Feoffees are the governing body of the Hospital and Library charities. The School Governing Body of Chetham's School of Music is the governing body of the School. The Library Committee acts as the management committee of the Library charity and approval for that Committee's recommendations is given by the Feoffees.

Recruitment and training

Chetham's Hospital

Feoffees are appointed under the terms of the Will of Humphrey Chetham. The Chairman, Vice Chairman and Treasurer are elected annually.

The term of office is 5 years and Feoffees may be re-elected.

New Feoffees are chosen from a wide variety of academic and business backgrounds to ensure that the essential level of knowledge and experience is maintained and they are inducted into the working of the Hospital on appointment. Continuing training for existing Feoffees is arranged on an on-going basis as necessary.

Chetham's School of Music

The appointment of members of the School Governing Body is confirmed by the Feoffees except where otherwise stated. The term of office is three years. All members may be re-elected.

New Governing Body members are chosen from a wide variety of academic, musical and business backgrounds and are inducted into the workings of the School by the Joint Principals. Safer recruitment procedures are followed for all School Governors including DBS checks. Continuing training for existing members is organised on an on-going basis as necessary. At each meeting of the Governing Body the opportunity is taken to update members on various aspects of School life and current educational issues. The School's Designated Safeguarding Lead attended the September 2021 meeting to answer questions on the School's Safeguarding Policy.

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Chetham's Library

New members of the Library Committee are selected by the Library Committee and their appointments are confirmed by the Feoffees. Members serve for a three year period with the opportunity for re-election at the end of that time if appropriate. New members are chosen from a wide variety of academic and business backgrounds and are inducted into the workings of the Library by Chetham's Librarian who also arranges for ongoing training for existing members as necessary.

Organisational management

The Feoffees are legally responsible for the overall management and control of Chetham's Hospital and of Chetham's Library. The Feoffees meet formally at least twice a year. The Investment Sub-Committee oversees the investment portfolio and works with the Investment Managers.

The day to day running of Chetham's Hospital is delegated to the Director of Finance for financial and buildings matters.

The day to day running of Chetham's Library is delegated to the Library Committee and to the Librarian.

The School Governing Body is legally responsible for the overall management and control of the School. The Governing Body meets formally at least three times a year. There are three sub-committees of the Governing Body, the Resources Committee, the Safeguarding Committee, and the International Opportunities Committee. In addition, a governor is on the School's Health and Safety Committee.

The day to day running of the School is delegated to the two Joint Principals.

The Remuneration Sub-Committee sets the remuneration packages for the Joint Principals. The remuneration package of the Librarian is set by the Feoffees. Remuneration packages are informally benchmarked against comparable organisations' pay structures.

Principal risks and uncertainties

The Feoffees and the School Governing Body are responsible for the management of the risks faced by the Hospital, School and Library. Detailed considerations of risk are delegated to the Joint Principals, Librarian and Director of Finance and to the Resources Committee which identifies and assesses risks and establishes controls throughout the year.

The Feoffees deem the major risk faced by the Hospital to be the risk that fundraising achievements are insufficient to provide the necessary resources to properly maintain the buildings and resource the activities to which the organisation has committed. The Development Department is monitored on an on-going basis directly by the Feoffees and its reports are scrutinized closely at their regular meetings.

The School Governing Body maintains a comprehensive risk register. Key risks include the impact of a change in the Music and Dance Scheme which is the major source of ongoing fee income for the School, reputational damage, safeguarding and health and safety risks. All of these risks are mitigated by careful planning, thorough checks and reviews being in place and regular monitoring by senior staff and Governors.

The Feoffees deem the major risk to the Library is its financial sustainability. Whilst the Hospital charity is in a position to financially support the Library on an ongoing basis, the Library staff, Feoffees and Library Committee members are committed to sourcing alternative financial resources to provide a sustainable future for the Library.

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The key controls used by the Foundation include:

- formal agendas for the Committee meetings;
- detailed terms of reference for all Committees;
- comprehensive budgeting and management accounting;
- established organisational structure and lines of reporting;
- formal written policies;
- clear authorisation and approval levels; and
- vetting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established for the Foundation the Feoffees and School Governors are satisfied that the major risks have been adequately managed. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

Objects, aims, objectives and activities

Charitable objects

The Feoffees are required, under the terms of the Charity Commission Scheme, to apply the annual income of the Hospital to the maintenance and improvement of the School, Library and Hospital premises, including provisions for extension and improvement of those premises and purchase of additional land and in the payment of grants and allowances and the award, inter alia, of scholarships, maintenance allowances and other financial assistance.

The object of the School is to give a liberal education with due regard to the theory and practice of music.

The object of the Library is to provide, under the Will of Humphrey Chetham, "A Library within the Town of Manchester, for the use of scholars, and others well affected, to resort unto".

Public benefit aims and intended impact

The Public Benefit aims of the Hospital are to provide the optimum resources to enable Chetham's Library and Chetham's School of Music to excel in their respective fields of expertise and to facilitate wide public access to the services offered by both entities. The Feoffees and School Governors have had regard to the Charity Commissions guidance on Public Benefit.

The Public Benefit aims of the School are as follows:

- To educate musically gifted children between the ages of 8 and 18 whatever their social, racial and cultural background and financial circumstances;
- To provide as broad an academic curriculum as is possible within a specialist school; and
- To develop the whole person, furthering the spiritual, moral, social and cultural development of each student.

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The Public Benefit aims of the Library are to maintain the provisions of the Humphrey Chetham Will, and to make improvements to the Library whenever possible. It aims to advance the education of the public by the provision of opportunities to study historical and contemporary literature, specialising in the history of the North West of England.

Objectives for the year

The overarching objective has been to ensure that the charities and the services provided to beneficiaries are maintained at the highest possible level.

The major objective for the Hospital this year has been to continue to fulfill its stated aims of supporting the Library and School.

The main objectives of the School were as follows:

- To ensure that the School's Safeguarding Policy and practices are exemplary and fulfill all regulatory and statutory requirements.
- To continue to achieve consistently high results in musical and academic fields.
- Working with the Feoffees to further the site development in the Millgate House and Long Millgate external area.
- To continue to provide opportunities to the public via the Stoller Hall, the Creative Engagement Programme and Music Courses widening access to the School.
- To increase the amount of Bursary funding for overseas and home students to enable more students to be supported financially. £634,364 (2022: £599,967) was provided in Bursary support this year.

The major objective for the Library this year has been to continue to fulfill its stated aims of the provision of a Library. Fundraising has been prioritised to help to ensure the Library's activities are sustainable.

Strategies to achieve the year's objectives

The strategies used to achieve the Hospital's objective this year include continuing to raise the necessary funding to cover the funding gaps incurred during the on-going Site Development Project.

The School's strategies included:

- The School's Safeguarding Committee monitors safeguarding matters at each of its meetings. The Safeguarding Policy is updated and reviewed at least annually by the School and Governors.
- Continuing to employ and invest in the best possible staff in all departments in the School.
- Providing opportunities for Chetham's students and the public to participate in high quality events including masterclasses, recitals, orchestral concerts and numerous specialist teacher and student days throughout the year.
- Continuing work on the refurbishment of the Millgate boarding accommodation in the Millgate Building. The first phase of the construction work was completed in Summer 2019 and the students moved into the new bedrooms in September 2019. Phase 2 has completed and was opened in September 2023. This part of the Site Development Project is expected to continue for a number of years. Major works have been completed on the Long Millgate pavement areas.
- Preparing the way for the refurbishment of the Whiteley Hall
- Identifying and working with potential providers of Bursary funding.

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The strategies used by the Library to achieve this year's objectives included reviewing the securing of the financial viability of the Library by the submission of numerous funding applications to a variety of trusts and foundations, continuing and expanding on the strong links with other academic institutions and Manchester Cathedral and targeted expansion of the holding of relevant books and other materials. Increased promotion as a visitor attraction has seen an increase in visitors to the library.

Principal activities of the year

The principal activities of the Hospital were the provision of premises to house the School and Library and associated activities, together with the awarding of grants to students of the School.

The principal activity of the School was the provision of a musical and academic education to young people between the ages of 8 and 18. The School also provides an extensive Creative Engagement programme to encourage wider community access to the excellent teaching resources of the School.

The principal activity of the Library was the provision of a library and associated activities.

Foundation buildings

Under the Will of Humphrey Chetham who died in 1653, College House was purchased for the foundation of a hospital (school) and a library. The accounts of the Foundation do not incorporate any value of College House.

The value of land and buildings shown in the financial statements is the purchase price of the Millgate Building, and the construction costs of New College House, the Millgate extension, the New School Building, the conversion costs for the Nicholls Building re-development, the construction costs of the Stoller Hall and of the redevelopment of the boys' boarding accommodation in the Millgate Building, all net of depreciation where relevant, together with the purchase price of the parcel of land at Walkers Croft. The buildings are insured for £140 million on a rebuilding basis.

The Hospital is responsible for the external repair and maintenance of the Foundation buildings, and the costs are charged to its annual accounts as incurred. The School and Library pay for internal repairs and maintenance within their own respective accounts.

Grant making policy

The Feoffees make awards on the basis of an individual's financial position. Any particular conditions imposed by donors are taken into account when making awards.

Any grant from the Instrument Fund is given to parents in support of their requests for assistance in buying instruments for their children. The parents usually have to contribute to any purchase. This year, the value of awards made by the Hospital to the School's students was £5,050 (2022 - £5,000).

Around 80% of the students at Chetham's are eligible for means-tested support through the Music and Dance Aided Pupil Scheme, funded by the Department for Education (DfE). This Scheme ensures that families are only asked to contribute towards the fees of the School at a level that they can afford. For a number of reasons, usually because the Scheme is primarily for UK residents, a small number of students are not eligible for financial support through the DfE scheme. A significant part of the School's activities is the provision of Bursaries to these students, to facilitate the widening of access to the School. Bursaries can be awarded from both unrestricted and restricted funds and awards are based on the School's assessment of financial need. Detailed means testing is carried out by the School to ensure that its funds are directed towards those who would otherwise not be able to afford to come to Chetham's. This year the School contributed £634,364 (2022- £599,967) from Restricted Funds to support students financially. The amount contributed each year varies according to specific need in each particular year.

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Review of achievements and performance for the year

Review of activities

Chetham's Hospital

The major activity of the Hospital during this year was to continue to fundraise to cover the funding gaps incurred during the on-going Site Development Project. This Project was divided into three phases: to construct the New School Building, including constructing a 482-seat concert hall, to refurbish the residential accommodation in the Millgate and Nicholls Buildings and to increase public access to the medieval estate by the opening of the Medieval Manchester Visitor Attraction. Fundraising for the Project has slowed in the last few years although over £43.7 million has been raised since the start of the project.

Plans have been made for the separation of the School site from the Visitor Attraction areas, and for significantly upgrading the Waterhouse Building, which in due course will become a major part of the visitor experience. The Feoffees have worked closely with a variety of partners and neighbours with the aim of enhancing the exciting and unique experience for tourists and other visitors. This part of the Site Development Project is subject to the securing of the necessary funding.

Safeguarding matters were also at the forefront of activities, supporting the School in ensuring that systems were effective.

Chetham's School of Music

At the start of the year there were 331 students on roll, compared to 330 the previous year. This number includes 12 Choristers, as the School acts as the Choir School for Manchester Cathedral. There were 188 girls and 143 boys, with 118 students in the 6th Form, 175 in Years 7 to 11 and 38 Juniors. Most (62%) students are boarders, with the remainder living within commuting distance of the School.

The School admits students solely on the basis of musical ability and applicants are rigorously auditioned for selection. For entry in September 2022 there were 124 applications and 120 auditions with 76 children successfully joining the School. In addition, the School carries out many free advice auditions where children who may be considering applying to the School are given professional feedback on their playing and musical ability.

A total of 263 places at the School are funded each year by the Department for Education under the Government-funded Music and Dance Schools (MDS) Aided Pupils Scheme. This Scheme allows for means testing with fee remission for eligible families. The School also provides substantial Bursary funding for exceptionally talented students who are not eligible for the MDS Scheme, and for other families who may be suffering financial hardship. The average award this year was £9,612 (2022 - £13,953), providing support to a total of 66 (2022 – 43) students. The number of students who are helped financially varies each year according to need. Chorister places at Chetham's are also significantly supported by the School as the fees for Choristers are discounted by over 60%. The School aims to help as many students as it can in this way as it believes that the musical education that it provides benefits the public as well as the individuals concerned.

Education is a public benefit in its own right. As well as providing an exemplary level of music education, the academic results of the School continue to be excellent. A level results were excellent with a 100% pass rate and 68% of the candidates receiving A* to B grades. Results at GCSE level were also pleasing with 96% at 9-4 grades and 65% of those at 7-9. Education at the level provided by the School in Music and other subjects to such a high standard provides not only world class musicians of the future but rounded individuals who have the choice of where their future lives may lead.

Destinations of the Year 13 Leavers continue to be varied. Nearly 70% of the leavers were offered places with scholarships to read Music at university, music college or conservatoire, and the most popular destinations were the Royal College of Music, Royal Academy of Music, Royal Northern College of Music, Guildhall and Cambridge. Other (non-Music) destinations included King's College Cambridge, St Hilda's Oxford, and Swansea University for subjects such as Computing and Mathematics.

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There were three Music Course weeks for students at the School covering music from lesser-known composers through to more well known. The School has been on a journey to encourage and play more diverse music or music from a diverse range of composers. Masterclasses have been led by a wider range of artists and musicians.

In September, Creative Engagement at Chetham's began a restructure, welcoming a new Manager to the team and rebranding as Creative Engagement. Over the autumn term, the team has been working together to deliver our in-house programmes for early years, schools and families and has also welcomed school groups, music services and communities to perform and enjoy music together with our teachers, artists and students at Chetham's. Four student composers have written music for the mental health charity, Stormbreak. The organisation promotes mental health in primary schools through movement and play and the music composed by students will form a significant part of their resources for the new term.

Our popular families programme has been well received, included 11 Stoller Story Sounds workshops for children under 5 and their grown-ups, which beautifully combines music, storytelling and illustration. The sessions featured Chetham's staff and students as well as visiting artists including Kantos chamber choir, Trio Boheme Czech string trio and Manchester Gospel Choir.

November saw the culmination of a 6-month project with 10 primary schools from each region of Greater Manchester, focusing on teaching and learning STEM through music. The project engaged around 2,500 children through in-school workshops and performances, including welcoming 720 pupils to The Stoller Hall to enjoy our Professor Lightbulb schools concert. This project was made possible through generous support from Huawei.

We have continued to work closely with our music hub partners, including Greater Manchester Youth String Orchestra who regularly rehearse at Chetham's, and Accent Music Hub with whom we are delivering a musicianship development programme for their most promising and committed young musicians.

Work to repair the fire damage in the Whiteley Hall, following the fire in June 2021, has progressed very slowly. The costs are covered by insurance but there have been delays with obtaining planning permission and appointing a suitable contractor. The work has finally been given permission to commence, starting in Easter 2024 for completion in the summer.

The Site Development was impacted by the Coronavirus pandemic and work on the refurbishment was slowed considerably. Phase 1 was completed in Summer 2019, and phase 2 was completed for September 2023. There is further refurbishment work for Millgate House as well as some bathroom and furnishings upgrades for new College.

The Site has also undergone an environmental site survey with a view to improving the environmental credentials of the School. LED lighting and casements have been fitted where possible, boilers and plant have been assessed for energy reductions and the heating and cooling system in the New School building has been reviewed to ensure the most efficient use of the system. Students and staff have had training on being more energy efficient. The School also now recycles far more of its waste than in previous years making good use of recycling stations and reducing food waste.

Chetham's Library

Chetham's Library is widely recognised as the oldest surviving public library in the English-speaking world, remaining in continuous use from its foundation in 1655 to the present day. It forms a resource that has few parallels, being a major research library, heritage complex and arts organisation. Its significance has been recognized by Arts Council England through designation of its collection as being of national and international importance.

Fundraising for the Library's work continues. The Patrons of Chetham's Library scheme raised £247 this year (2022: £394).

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Fundraising performance against objectives

During the year £747,643 (2022: £1,614,291) was donated or bequeathed to the Foundation. The Feoffees and School Governing Body have set general targets for the Development Department, both for unrestricted and restricted income and consider that the year's results are more than satisfactory in the circumstances.

Chetham's is registered with the Fundraising Regulator and is committed to delivering the Fundraising Promise, as outlined on the Fundraising Regulator's website, and the high standards set for fundraising, as outlined in the Regulator's Code of Fundraising.

Investment performance against objectives

The investment powers of the Foundation are subject to statutory provisions, in particular the Trustees Investments Act 2000.

The policy is to maintain income whilst preserving the real value of endowed investments and to maximise income on temporarily invested funds.

Rathbone Brothers PLC acting as Investment Managers have discretionary powers to manage the portfolio and their performance is monitored on a regular basis against agreed benchmarks by the Investment Sub-Committee. The Feoffees and School Governing Body consider that the year's results are satisfactory.

The Foundation's annualized total return on investment assets was a gain of £18,522 (2022: a loss of £662,209).

Fixed asset investment income in the Hospital increased during the year to £14,026 (2022 - £13,697) and realised losses were £6,365 (2022 - losses of £1,557).

Fixed asset investment income in the School increased during the year to £179,384 (2022 - £159,748) and realised investment losses were £37,951 (2022 - losses of £67,855).

Fixed asset investment income in the Library decreased during the year to £88,261 (2022 - £89,283) and realised investment losses were £28,664 (2022 - losses of £16,066).

Financial Review

The Foundation recorded an overall deficit on unrestricted funds of £685,910 (2022- an overall surplus of £1,555,062) and its total Unrestricted Funds now stand at £10,262,182 (2022 - £10,948,092).

The Hospital recorded a surplus on unrestricted funds for the year of £93,511 (2022 - £55,837) and its total Unrestricted Funds now stand at £2,445,988 (2022 - £2,352,477). This includes a deficit of £228,907 (2022 - £278,907) in Designated Funds.

The School recorded a deficit on unrestricted funds for the year of £722,085 (2022 - a surplus of £1,566,694) and its total Unrestricted Funds now stand at £7,483,093 (2022 - £8,205,178). This includes £862,387 (2022 - £1,696,754) which is designated for a variety of specific purposes.

The Library recorded a deficit on unrestricted funds for the year of £57,336 (2022 - surplus of £67,469) and its total Unrestricted Funds now stand at £333,101 (2022 - £390,437). This includes £nil (2022 - £ nil) in Designated Funds.

Going concern

The Department for Education continues to support the school through the Music and Dance Scheme. Student places are oversubscribed and visitors to the Library and Stoller Hall continue to increase. The Feoffees and School Governors do not consider that there are any issues for the organisation as a going concern.

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Reserves policy

Introduction

Notes 16 to 19 of the financial statements set out an analysis of the assets attributable to the various Funds together with a description of the major components of those Funds. These assets are sufficient to meet the financial obligations on a fund by fund basis.

The Hospital "which owns the buildings" is primarily dependent on rent from the School for its income. The Feoffees aim to increase the balance of free reserves each year, to bring the level up to an amount felt to be appropriate in the circumstances. At the present time, the Feoffees' target for free reserves for the Hospital is equivalent to around a year's expenditure.

It is the policy of the School Governing Body to increase reserves each year when there is no call on the reserves to cover unexpected costs. The Governing Body's aim is to bring the level of reserves to a higher level than at present to safeguard against income deterioration or unexpected costs.

The Feoffees and Library Committee aim to ensure that the free reserves of the Library cover approximately one year's expenditure.

Review of policies

These policies will be reviewed every three years by the Treasurer and Director of Finance and brought to the attention of the Feoffees and the School and Library Committees as part of the review of all policies. These policies are scheduled to next be reviewed at the next Resources Committee meeting in August 2024.

Level of Reserves

Unrestricted reserves of the Foundation held at 31 August 2023 were £10,262,182 (2022 - £10,948,092) of which £633,480 (2022 - £1,417,847) is designated for specific purposes.

The unrestricted reserves are substantially invested in the tangible fixed assets of the Foundation. In the year to 31 August 2023 the surplus on free reserves decreased to £6,313,890 (2022 - £7,650,931).

Restricted reserves of the Foundation were £33,392,729 (2022: £34,221,044). Of this balance £29,570,301 (2022: £30,415,372) is represented by fixed assets.

Hospital

Free reserves of the Hospital are £824,606 (2022 - £678,844).

Restricted reserves are £28,010,021 (2022: £29,314,467). Two (2022: two) capital project funds are in deficit at the year end by £1,806,070 (2022: £1,974,711) as expenditure has been incurred in advance of income being received for the projects.

School

Free reserves of the School are £5,271,183 (2022 - £6,696,650). At present, the level of reserves is equivalent to around twenty-four weeks' expenditure. The Governors' aim to increase the level of free reserves to at least 9 months' expenditure, which at the current time would be approximately £8.5 million.

Restricted reserves are £5,372,968 (2022: £5,528,413) and are held for a variety of purposes.

Library

Free reserves of the Library are £218,101 (2022 - £275,437). This is just over one year's operating costs and is deemed to be sufficient at present.

Restricted reserves are £9,740 (2022: £10,280) and are held for a variety of purposes.

**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II
ANNUAL REPORT OF THE FEOFFEEES
For the year ended 31 August 2023**

Plans for future periods

The Feoffees and School Governing Body aim to support continuation and progression of the excellent work carried out by the staff of the School and Library.

The Site Development Plan will continue as funding allows. The most pressing aim of the Feoffees and School Governing Body is to continue to upgrade the boarding accommodation in the Millgate Building and to start on New College House. This work started in the summer of 2018 and will continue for a number of years. There also plans to stabilise the well in Fox Court. The Feoffees also plan to launch the Medieval Manchester Visitor Attraction, featuring Chetham's Library and the medieval buildings as soon as funding is available.

Disclosure of information to the auditors

So far as each person who was a Feoffee at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow Feoffees and the charity's auditors each Feoffee has taken all the steps that he or she is obliged to take as a Feoffee in order to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Statement of Feoffees' responsibilities in respect of the financial statements

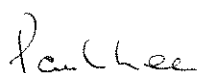
Charity law requires the Feoffees to prepare financial statements for each year which give a true and fair view of the charity's financial activities during the year and the financial position at the end of the year. In preparing those financial statements, the Feoffees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

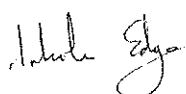
The Feoffees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Feoffees on 29th July 2024

and signed on their behalf by:



P. Lee, Esq
Chair of Feoffees



M. Edge, Esq.
Chair of School Governing Body



Mrs. V. Torevell
Hon. Treasurer

**Independent Auditor's Report to the Members of The Hospital and Library in
Manchester Founded by Humphrey Chetham Esq and Incorporated by King Charles II**
For the year ended 31 August 2023

Opinion

We have audited the financial statements of The Hospital and Library in Manchester Founded by Humphrey Chetham Esq and Incorporated by King Charles II and its subsidiaries ('the group') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 August 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Feoffees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Feoffees with respect to going concern are described in the relevant sections of this report.

Other information

The Feoffees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charity and their environment obtained in the course of the audit, we have not identified material misstatements in the Feoffees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

**Independent Auditor's Report to the Members of The Hospital and Library in
Manchester Founded by Humphrey Chetham Esq and Incorporated by King Charles II**
For the year ended 31 August 2023

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Fеоffees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of Fеоffees

As explained more fully in the Fеоffees responsibilities statement set out on page 14, the Fеоffees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Fеоffees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fеоffees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fеоffees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, Employment legislation and Health and Safety Legislation

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Fеоffees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, sample testing of other income and reading minutes of meetings of those charged with governance.

**Independent Auditor's Report to the Members of The Hospital and Library in
Manchester Founded by Humphrey Chetham Esq and Incorporated by King Charles II**
For the year ended 31 August 2023

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

Date 7th August 2024

**The Hospital and Library in Manchester founded by Humphrey Chetham Esq
and incorporated by King Charles II**

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 August 2023

	Notes	Hospital Funds £	School Funds £	Library Funds £	2023 £	2022 £
Income from:						
Charitable activities:						
School fees	2	-	10,246,512	-	10,246,512	10,067,230
Ancillary activities	6	-	283,771	83,392	367,163	731,935
Other trading activities:						
Activities for generating funds	3	-	633,954	5,918	639,872	490,339
Investments:						
Investment income	4	14,032	197,390	88,261	299,683	262,728
Voluntary sources:						
Bequests and donations	5	22,242	690,211	35,190	747,643	1,614,291
Grants received		-	2,170	-	2,170	96,289
Total incoming resources		36,274	12,054,008	212,761	12,303,043	13,262,812
Expenditure on:						
Raising funds:						
Fundraising		10,400	138,321	-	148,721	116,242
Publicity		-	118,083	-	118,083	163,519
Conference, facility hire and trading costs		4,357	500,973	-	505,330	409,095
Financing costs		110,108	3,012	-	113,120	122,611
Investment management costs		4,778	30,300	13,255	48,333	49,255
		129,643	790,689	13,255	933,587	860,722
Charitable activities:						
Teaching costs – academic		-	2,141,324	-	2,141,324	2,015,111
Teaching costs – music		-	4,241,419	-	4,241,419	4,013,322
Welfare		-	1,784,120	-	1,784,120	1,648,945
Premises		1,071,812	2,441,979	-	3,513,791	3,058,804
Scholarships and Bursaries		-	634,364	-	634,364	599,967
Grants, awards and prizes		5,050	17,492	-	22,542	15,403
Library running costs		-	-	226,835	226,835	202,179
Support and Governance costs		22,761	93,862	1,579	118,202	143,201
		1,099,623	11,354,560	228,414	12,682,597	11,696,932
Total resources expended	9	1,229,266	12,145,249	241,669	13,616,184	12,557,654
Net income/(expenditure)		(1,192,992)	(91,241)	(28,908)	(1,313,141)	705,158
Transfer between funds	10	627,000	(627,000)	-	-	-
Gains/(Losses) on investment assets						
Realised		(6,365)	(37,951)	(28,664)	(72,980)	(85,478)
Unrealised		(1,187)	(121,338)	(67,644)	(190,169)	(839,459)
Net movement in funds		(573,544)	(877,530)	(125,216)	(1,576,290)	(219,779)
Fund balances at 1 September 2022		31,758,804	13,733,591	2,971,267	48,463,662	48,683,441
Fund balances at 31 August 2023		31,185,260	12,856,061	2,846,051	46,887,372	48,463,662

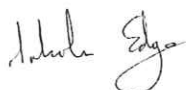
**The Hospital and Library in Manchester funded by Humphrey Chetham Esq
and incorporated by King Charles II
BALANCE SHEET
For the year ended 31 August 2023**

	Note	2023 £	2022 £
Fixed assets			
Heritage assets	11	115,000	115,000
Tangible fixed assets	11	33,403,593	33,597,533
Investments	12	<u>9,978,326</u>	<u>10,248,974</u>
		<u>43,496,919</u>	<u>43,961,507</u>
Current assets			
Debtors - fees		366,242	450,235
- other debtors and prepayments	13	469,908	1,341,631
Cash at bank and in hand		<u>7,362,592</u>	<u>7,540,395</u>
		8,198,742	9,332,261
Creditors: amounts falling due within one year	14	<u>(3,347,469)</u>	<u>(3,202,837)</u>
Net current assets		<u>4,851,273</u>	<u>6,129,424</u>
Total assets less current liabilities		48,348,192	50,090,931
Creditors: amounts falling due after more than one year	15	<u>(1,460,820)</u>	<u>(1,627,269)</u>
Total net assets	16	<u>46,887,372</u>	<u>48,463,662</u>
Endowment funds	17	3,232,461	3,294,526
Restricted funds	18	33,392,729	34,221,044
Unrestricted funds	19	<u>10,262,182</u>	<u>10,948,092</u>
Total funds		<u>46,887,372</u>	<u>48,463,662</u>
Hospital funds		31,185,260	31,758,804
School funds		12,856,061	13,733,591
Library funds		<u>2,846,051</u>	<u>2,971,267</u>
Total funds	16	<u>46,887,372</u>	<u>48,463,662</u>

The financial statements were approved and authorised for issue by the Feoffees on 29th July 2024
and signed on their behalf by:



P. A. Lee, Esq.
Chair of Feoffees



M. Edge, Esq
Chair of School Governing Body



Mrs. V. Torevell
Hon. Treasurer

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq
and incorporated by King Charles II
CASH FLOW STATEMENT
For the year ended 31 August 2023**

	<i>Cash flow statement notes</i>	2023 £	2022 £
Net cash inflow/(outflow) from operations			
Net cash provided by/(used by) operating activities	1	724,470	809,511
Cash flows from investing activities			
Investment income		299,683	262,728
Payments to purchase buildings and other fixed assets		(939,936)	(804,553)
Payments to acquire investments, including cash awaiting investment		(2,403,955)	(2,132,036)
Receipts from sales of fixed asset investments		2,220,962	2,312,531
Increase in cash held by investment advisors		190,492	(131,192)
Net cash provided by/(used in) investing activities		<u>(632,754)</u>	<u>(492,522)</u>
Cash flow from financing activities			
Bank loan and interest payable		(113,120)	(122,611)
Bank loan repayments		<u>(156,399)</u>	<u>(147,290)</u>
Net cash used in financing activities		<u>(269,519)</u>	<u>(269,901)</u>
Change in cash and cash equivalents in the reporting period		(177,803)	47,088
Cash and cash equivalent at the beginning of the period		<u>7,540,395</u>	<u>7,493,307</u>
Cash and cash equivalent at the end of the period	2	<u>7,362,592</u>	<u>7,540,395</u>

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq
and incorporated by King Charles II
NOTES TO THE CASH FLOW STATEMENT
For the year ended 31 August 2023**

1. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net incoming/(outgoing) resources	(1,313,141)	705,158
Depreciation	1,133,876	1,084,067
Investment income	(299,683)	(262,728)
Bank and loan interest payable	113,120	122,611
(Increase)/Decrease in debtors	955,716	(979,307)
Increase/(Decrease) in creditors	134,582	139,710
Net cash inflow/(outflow) from operating activities	<u>724,470</u>	<u>809,511</u>

2. Analysis of cash and cash equivalent

	2023 £	2022 £
Cash at bank and in hand	5,818,050	6,009,555
Cash on deposit	1,544,542	1,530,840
	<u>7,362,592</u>	<u>7,540,395</u>

3. Reconciliation of net debt

	<i>At 1 September 2022 £</i>	<i>Cashflow £</i>	<i>At 31 August 2023 £</i>
Cash at bank and in hand	7,540,395	(177,803)	7,362,592
Bank loan due in less than one year	(153,304)	(10,050)	(163,354)
Bank loan due in greater than one year	(1,627,269)	166,449	(1,460,820)
	<u>5,759,822</u>	<u>(21,404)</u>	<u>5,738,418</u>

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq
and incorporated by King Charles II
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2023**

1. Statement of accounting policies

Basis of preparation of accounts

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

The Foundation has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement with the consolidated financial statements.

The functional currency of the Foundation is considered to be GBP because that is the currency of the primary economic environment in which the Foundation operates.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

The Foundation is a Public Benefit Entity registered as a charity in England and Wales. It is registered as a charity on the Charity Commission website (charity number: 526702).

No material uncertainties that may cast significant doubt about the ability of the Foundation to continue as a going concern have been identified by the Feoffees or School Governing Body.

The Foundation has a Fundraising Strategy in place to continue to raise the necessary funds for the Site Development Project with over £43.7 million having been raised to date. The continuation of the upgrading of the boarding accommodation in the Millgate Building is the next priority, as well as the opening of the medieval buildings as part of the Visitor Attraction Project.

A significant proportion of fee income for the School is receivable from the Department for Education (DfE) under the Music and Dance Aided Pupil Scheme (MDS). In the current year £7,146,056 was receivable (2022 - £7,288,080). The DfE have provided assurances to the School that they foresee the MDS Scheme being continued in its current form for the foreseeable future.

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq
and incorporated by King Charles II
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2023**

1. Statement of accounting policies (continued)

Uniting direction

A Uniting Direction was issued by the Charities Commission on 25 June 2004. This links the Chetham's Hospital, School and Library charitable strands for the purposes of registration and accounting under the Charities Act 1993. The Charity Commission has agreed to the adapted format of the Statement of Financial Activities wherein funds are categorised by component charitable strand rather than by type.

Chetham's Hall Limited is a subsidiary undertaking that is a wholly owned subsidiary of the Hospital. Chetham's Trading Limited is a subsidiary undertaking that is a wholly owned subsidiary of the School. The results of both subsidiaries are included in the accounts of the relevant charity.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting Bursaries granted by the School, but include contributions received from Restricted Funds towards fees.

Donations and bequests

Donations and bequests received for the general purposes of the Foundation are credited to unrestricted funds. Donations and bequests subject to specific wishes of the benefactors are credited to restricted funds, or to endowment funds where the amount is required to be held as permanent capital.

Donations and bequests are accounted for as and when entitlement arises, the amount can be reliably qualified and the economic benefit to the school is considered probable.

Investment and covenant income

Credit is taken for investment and covenant income, including related taxation, on an accruals basis. The income from COIF Accumulation units is automatically reinvested and this income is not disclosed as such in the accounts because there is a corresponding increase in the valuation of the original subscribed units.

Resources expended

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer- term liabilities. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the proportions of individuals' time attributable to that activity in the year. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, also external audit, any legal advice for the Feoffees and School and Library Committees, and all costs of complying with constitutional and statutory requirements, such as the costs of meetings of the Feoffees, the School Governing Body and the Library Committee and of preparing statutory accounts and satisfying public accountability.

Tangible fixed assets and depreciation

The Foundation's Collections and Management Plan, available from Chetham's Librarian upon request, details the Foundation's policy for the acquisition, preservation, management and disposal of its heritage assets.

College House and the Collections are deemed to have indeterminate lives and therefore the Feoffees do not consider it appropriate to charge depreciation.

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq
and incorporated by King Charles II
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2023**

1. Statement of accounting policies (continued)

College House

The site of Chetham's, on a sandstone outcrop at the confluence of the Rivers Irwell and Irk, has been of strategic importance and occupied since Roman times. College House, in 1421, was the largest building in the medieval town of Manchester. The buildings have been used to house the School since 1653 and are Grade 1 listed.

The Feoffees consider that, owing to the incomparable nature of the buildings, conventional valuation approaches lack sufficient reliability and even if valuations could be obtained, the costs of doing so would be onerous compared with the additional benefits derived by the Foundation and users of the accounts. As a result, no value is reported for this asset in the Balance Sheet.

The Library's Collections

The Library's Collections were started in 1655. From illuminated manuscripts made for kings and queens to the minutiae of personal life – diaries, letters, account books – the Library has a wealth of special items and collections. Chetham's holds over forty medieval manuscripts, including the thirteenth century *Flores Historiarum* of Matthew Paris. The Collections are mainly concerned with the history of the North West of England and include the first ever census of Manchester compiled in 1773-74. There are well over 120,000 printed items, over half of which were published before 1850.

It is considered that obtaining valuations for the vast majority of the Collections would involve disproportionate cost due to the size and diversity of the items and so these assets are therefore not recognised in the Balance Sheet. Significant acquisitions from September 2009 onwards will be reported at cost, where the item is purchased, or if donated, at the current value if it is readily discernable, for example by using a probate value.

The Feoffees will very occasionally approve the disposal of items of the Collections, for example when an item is of doubtful provenance or is a duplicate of an item already in a Collection. Where items that are not recognised as fixed assets are disposed of, the proceeds are reported in the Statement of Financial Activities. Disposal proceeds are also disclosed separately in the notes to the accounts.

The Collections are deemed to have indefinite lives and therefore no depreciation is charged.

Preservation costs

Expenditure which, in the Feoffees' view, is required to preserve or clearly prevent further deterioration of College House or individual Collection items is recognised in the Statement of Financial Activities when it is incurred.

Other assets

The cost of freehold buildings which are not classed as heritage assets is written off by annual installments over their expected useful lives as follows:

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq
and incorporated by King Charles II
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2023**

1. Statement of accounting policies (continued)

Freehold buildings: 40 - 60 years

The cost of the land acquired in 2008 is not written off but is kept in the accounts as a capital item matched by a restricted Capital Fund as its purchase was funded by a grant from the NWDA for that specific purpose.

Expenditure on instruments, furniture and equipment etc. costing less than £10,000 is written off as an expense in the year incurred.

Depreciation is provided on the cost of tangible fixed assets, to write them down in equal instalments to their estimated residual values based current market prices over their expected useful lives as follows:

Furniture, fittings and equipment:	5 years
Instruments:	3 years

Grants received towards capital expenditure are credited to the appropriate restricted fund upon entitlement thereto; any depreciation of the grant-funded proportion of such fixed assets expenditure is charged to the related restricted fund.

Investments

Investments are valued in the balance sheet at their mid-market value at the balance sheet date. Investment management fees are accounted for as incidental costs of the acquisition or disposal where transaction-based. Other management fees are disclosed separately as Resources Expended in the Statement of Financial Activities.

Investment in subsidiaries are valued at cost less provision for impairment.

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq
and incorporated by King Charles II
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2023**

1. Statement of accounting policies (continued)

Pension schemes

Contributions are made to the multi-employer defined benefit Teachers' Pension Scheme at rates set by the Scheme Actuary and advised by the Scheme Administrator. Contributions are also made to the Greater Manchester Pension Fund, a multi-employer defined benefit pension scheme, for a small number of non-teaching staff, and also to a money purchase pension scheme for other non-teaching staff. In accordance with FRS 102 all schemes are accounted for as defined contribution schemes and contributions therefore are charged in the Statement of Financial Activities as they become payable.

Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities as they fall due.

Taxation

As a registered charity, the Foundation and its associated funds are not subject to taxation on its surpluses. However, provision is made for corporation tax on any trading profits generated by Chetham's Hall Limited and Chetham's Trading Limited after provision for Gift Aid payment.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Feoffees and School Governors as trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Feoffees and School Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

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2. School fees

	2023 £	2022 £
Gross fees receivable	10,246,512	10,067,230
Less: total Bursaries, grants and allowances	(634,364)	(599,967)
	<u>9,612,148</u>	<u>9,467,263</u>
Scholarships and Bursaries financed from restricted and endowment funds	634,364	599,967
	<u>10,246,512</u>	<u>10,067,230</u>

The total educational awards financed from restricted funds comprise:

	2023 £	2022 £
Scholarships and Bursaries	634,364	599,967
Grants, awards and prizes	22,542	13,233
	<u>656,906</u>	<u>613,200</u>

3. Other trading activities

	2023 £	2022 £
Trading income, summer schools and facility hire	<u>639,872</u>	<u>490,339</u>

Trading income includes £0 (2022: £267) in relation to Chetham's Hall Limited and £633,954 (2022: £479,065) in relation to Chetham's Trading Limited.

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4. Investment income

	2023 £	2022 £
Income from UK listed investments (gross)	281,671	261,939
Interest on funds deposited on bank reserve accounts	18,012	789
	<u>299,683</u>	<u>262,728</u>

5. Bequests and donations

During the year significant bequests and donations were gratefully received from the following:

The Estate of the late Mr M Bateson, the Beaverbrooks Charitable Trust, the estate of the late Mr A Chesters, Mr and Mrs Torevell, Mr and Mrs Frost, Mr D Thompson, Mr B Doyle, Mr D Gaskill, the Haworth Charitable Trust, Hulme Trust Estates (Educational), Mr P Jackson, the Leverhulme Trust, LHR Charitable Foundation, the estate of the late Mr R Mcfarlane, the Oglesby Charitable Trust, the estate of the late Mr M Pearce, and the Mabel Evans Trust.

Donations and bequests were also received from many other sources and the Feoffees and School Governors wish to express their sincere gratitude to all donors.

6. Ancillary activities

	2023 £	2022 £
Charitable activities		
Concert income	29,700	15,454
Summer Music School	74,136	63,640
Piano Summer School	263,327	100,869
Sundry income	-	551,972
Insurance claims	-	731,935
	<u>367,163</u>	<u>731,935</u>

7. Expenditure

	2023 £	2022 £
Charitable expenditure includes:		
Depreciation of fixed assets	1,133,876	1,084,067
Auditors' remuneration: audit services	22,320	23,694
Operating lease costs	<u>26,617</u>	<u>27,071</u>

The above excludes rent of £627,000 (2022 - £627,000) paid by Chetham's School of Music to Chetham's Hospital which is eliminated by way of transfers between funds (note 10).

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8. Employment costs

	2023	2022
	£	£
Wages and salaries	6,218,372	5,905,888
Social security costs	537,270	526,022
Pension contributions	941,624	909,152
	<u>7,697,266</u>	<u>7,341,062</u>

The average monthly number of employees in the year was 338 (2022 - 343) of which 162 (2022 - 181) were teaching staff.

The key management personnel comprise the two Joint Principals, the Director of Finance, and Chetham's Librarian.

The total employment benefits of the key management personnel were £457,641 (2022: £460,974). Total employment benefits include gross salaries, employer's National Insurance Contributions, employer's pension contributions, benefits in kind and Class 1A National Insurance Contributions on those benefits in kind.

Neither the Feoffees nor members of the other Foundation Committees nor persons connected with them received any remuneration, other benefits or reimbursement of expenses from the Charities or from any connected organisation during this year or the previous year.

The number of employees whose emoluments exceeded £60,000 was as follows:

	2023	2022
	No.	No.
£60,001 to £70,000	4	2
£70,001 to £80,000	-	-
£80,001 to £90,000	-	-
£90,001 to £100,000	-	2
£100,001 to £110,000	2	1

Contributions paid in the year for the provision of defined benefit schemes for higher paid employees were £109,009 (2022 - £74,993) and for money purchase pension schemes for higher paid employees were £0 (2022 - £19,300). There are no (2022 - 1) higher paid employees to whom retirement benefits are accruing under money purchase schemes and 6 (2022 - 4) higher paid employees in defined benefit schemes.

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9. Analysis of total resources expended

	<i>Staff costs</i> £	<i>Other costs</i> £	<i>Depreciation</i> £	<i>Total 2023</i> £	<i>Total 2022</i> £
<i>Cost of generating funds</i>					
Fundraising	132,921	15,800	-	148,721	116,242
Publicity	94,038	24,045	-	118,083	163,519
Conference, facility hire and trading costs	109,144	396,186	-	505,330	409,095
Financing costs	-	113,120	-	113,120	122,611
Investment management costs	-	48,333	-	48,333	49,255
	<u>336,103</u>	<u>597,484</u>	<u>-</u>	<u>933,587</u>	<u>860,722</u>
<i>Charitable activities</i>					
Teaching costs – academic	1,746,676	394,648	-	2,141,324	2,015,111
Teaching costs - music	3,362,698	878,721	-	4,241,419	4,013,322
Welfare	462,824	1,321,296	-	1,784,120	1,648,945
Premises	872,765	1,507,150	1,133,876	3,513,791	3,058,804
Scholarships & Bursaries	-	634,364	-	634,364	599,967
Grants, awards & prizes	-	22,542	-	22,542	15,403
Library costs	170,868	55,967	-	226,835	202,179
	<u>6,615,831</u>	<u>4,814,688</u>	<u>1,133,876</u>	<u>12,564,395</u>	<u>11,553,731</u>
Governance costs	53,022	65,180	-	118,202	143,201
	<u>7,004,956</u>	<u>5,477,352</u>	<u>1,133,876</u>	<u>13,616,184</u>	<u>12,557,654</u>

Conference and facility hire includes £4,357 (2022: £547) in relation to Chetham's Hall Limited and £483,852 (2022: £407,191) in relation to Chetham's Trading Limited.

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9. Analysis of total resources expended (continued)

Total resources expended is £1,156,128 (2022 - £1,022,787) in respect of support costs detailed below, that have been allocated to the above expense headings.

	<i>Hospital</i>	<i>School</i>	<i>Library</i>	<i>Total 2023</i>	<i>Total 2022</i>
Support Costs	£	£	£	£	£
Management	-	124,054	170,842	294,896	269,826
Administration	-	285,110	15,489	300,599	257,614
Recruitment	-	40,264	-	40,264	24,998
Office costs	-	68,407	19,735	88,142	65,500
IT	-	153,770	-	153,770	103,566
Legal and professional	22,506	41,407	2,453	66,366	124,339
Insurance	122,157	86,726	3,208	212,091	176,944
	<u>144,663</u>	<u>799,738</u>	<u>211,727</u>	<u>1,156,128</u>	<u>1,022,787</u>

10. Transfers between funds

	<i>Unrestricted Funds</i>		<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>Total Funds</i>
	<i>General</i>	<i>Designated</i>			
	£	£	£	£	£
<i>Hospital</i>					
Rent from School	627,000	-	-	-	627,000
New School Development Fund	(266,506)	-	266,506	-	-
Palatine Demolition Project	(50,000)	50,000	-	-	-
	<u>310,494</u>	<u>50,000</u>	<u>266,506</u>	<u>-</u>	<u>627,000</u>
<i>School</i>					
Rent paid to Hospital	(627,000)	-	-	-	(627,000)
Millgate Building Refurbishment Fund	307,130	(307,130)	-	-	-
Chesters Bequest Fund	563,488	(563,488)	-	-	-
Organ Cash Settlement Fund	(12,000)	12,000	-	-	-
Bursary Fund	47,548	-	(47,548)	-	-
	<u>279,166</u>	<u>(858,618)</u>	<u>(47,548)</u>	<u>-</u>	<u>(627,000)</u>
<i>Library</i>					
Transfer from Library Patrons Fund	238	-	(238)	-	-
	<u>238</u>	<u>-</u>	<u>(238)</u>	<u>-</u>	<u>-</u>
TOTAL	<u>689,898</u>	<u>(908,618)</u>	<u>218,720</u>	<u>-</u>	<u>-</u>

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11. Tangible fixed assets

	<i>Heritage Assets</i>	<i>Freehold Property</i>	<i>Furniture, Fittings, Plant & Equipment</i>	<i>Instruments</i>	<i>Total</i>
	£	£	£	£	£
Cost:					
At 1 September 2022	115,000	44,578,728	879,432	368,640	45,941,800
Additions	-	405,405	235,596	298,935	939,936
At 31 August 2023	115,000	44,984,133	1,115,028	667,575	46,881,736
Depreciation:					
At 1 September 2022	-	11,433,196	594,692	201,379	12,229,267
Charge for the year	-	977,359	94,695	61,822	1,133,876
At 31 August 2023	-	12,410,555	689,387	263,201	13,363,143
Net book value:					
At 31 August 2023	115,000	32,573,578	425,641	404,374	33,518,593
At 1 September 2022	115,000	33,145,532	284,740	167,261	33,712,533

The cost of tangible fixed assets includes the cost of land at Walkers Croft, which was purchased in March 2008 with the support of a grant from the North West Development Agency (NWD). This piece of land is secured by legal charges in favour of NatWest as security for the 2011 bank loan.

Information on Heritage Assets is given in Note 1 to the accounts. There were no heritage asset additions or donations during the year (2022: none).

Five year financial summary of Heritage Asset transactions:

	2023 £	2022 £	2021 £	2020 £	2019 £
Additions:	-	-	-	-	-
Donations	-	-	-	-	-
Total	-	-	-	-	-

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12. Investments

	<i>Restricted Funds £</i>	<i>Unrestricted Funds £</i>	<i>Endowment Funds £</i>	<i>Total £</i>
Balance at 1 September 2022	5,515,812	1,288,598	3,444,564	10,248,974
Additions	1,274,045	451,514	678,396	2,403,955
Disposals	(1,185,668)	(396,912)	(712,120)	(2,294,700)
Revaluation losses	(95,269)	(33,318)	(60,824)	(189,411)
Change in amounts awaiting investment	(172,189)	(5,636)	(12,667)	(190,492)
Balance at 31 August 2023	5,336,731	1,304,246	3,337,349	9,978,326
Historical cost of listed investments	4,792,996	1,328,382	2,572,553	8,693,931
Listed on UK stock exchange	5,325,842	1,284,068	3,288,237	9,898,147
Cash holding	10,889	20,178	49,112	80,179
	5,336,731	1,304,246	3,337,349	9,978,326

All investments are held to provide an investment return.

13. Debtors (excluding fees)

	<i>2023 £</i>	<i>2022 £</i>
Other debtors	308,183	153,220
Prepayments	121,599	121,247
Accrued income	40,126	1,067,164
	469,908	1,341,631

A total of £nil (2022: £nil) was written off in the year for bad debts and a £6,239 increase was made in the provision (2022: increase of £1,224).

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14. **Creditors:** amounts falling due within one year

	2023	2022
	£	£
Bank loans (note 15)	163,354	153,304
Other creditors and accruals	1,284,115	1,149,533
Fees received in advance from DfE	<u>1,900,000</u>	<u>1,900,000</u>
	<u>3,347,469</u>	<u>3,202,837</u>

15. **Creditors:** amounts falling due after more than one year

	2023	2022
	£	£
Bank loans	<u>1,460,820</u>	<u>1,627,269</u>
	<u>1,460,820</u>	<u>1,627,269</u>

The total bank loans outstanding at 31 August 2023 amounted to £1,624,174 (2022 - £1,780,573). Of this amount £163,354 (2022 - £153,304) is repayable within one year and is therefore included in current liabilities.

A bank loan of £3,000,000 was taken out in May 2011 for a 20 year period to help to finance the construction of the New School Building. The loan interest is fixed at 6.4% for the life of the loan.

The loan is secured by first legal mortgages over the freehold land on the north side of Long Millgate, Manchester and over the freehold property of the Hospital and Library, together with the land on Walkers Croft where the New School Building is situated.

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16. Allocation of the charity's net assets

The net assets are held for the various funds as follows:

	<i>Fixed Assets</i>	<i>Investments</i>	<i>Net current assets/ (liabilities)</i>	<i>Long term liabilities</i>	<i>Total</i>
	£	£	£	£	£
Hospital					
Unrestricted	1,621,382	3,454	821,152	-	2,445,988
Restricted	29,566,618	359,409	(455,186)	(1,460,820)	28,010,021
Endowment	-	726,589	2,662	-	729,251
	<u>31,188,000</u>	<u>1,089,452</u>	<u>368,628</u>	<u>(1,460,820)</u>	<u>31,185,260</u>
School					
Unrestricted	2,211,910	1,274,462	3,996,721	-	7,483,093
Restricted	3,683	4,977,321	391,964	-	5,372,968
	<u>2,215,593</u>	<u>6,251,783</u>	<u>4,388,685</u>	<u>-</u>	<u>12,856,061</u>
Library					
Unrestricted	115,000	26,330	191,771	-	333,101
Restricted	-	-	9,740	-	9,740
Endowment	-	2,610,761	(107,551)	-	2,503,210
	<u>115,000</u>	<u>2,637,091</u>	<u>93,960</u>	<u>-</u>	<u>2,846,051</u>
Total					
Unrestricted	3,948,292	1,304,246	5,009,644	-	10,262,182
Restricted	29,570,301	5,336,730	(53,482)	(1,460,820)	33,392,729
Endowment	-	3,337,350	(104,889)	-	3,232,461
	<u>33,518,593</u>	<u>9,978,326</u>	<u>4,851,273</u>	<u>(1,460,820)</u>	<u>46,887,372</u>

17. Endowment funds

	<i>Balance at 1 September 2022</i>	<i>Incoming Resources</i>	<i>Resources expended</i>	<i>Investment gains/(losses)</i>	<i>Transfers between funds</i>	<i>Balance at 31 August 2023</i>
	£	£	£	£	£	£
Hospital						
Investment Replacement Sinking Funds	583,668	-	-	-	-	583,668
EF Jacob Endowment Fund	140,308	-	-	5,275	-	145,583
	<u>723,976</u>			<u>5,275</u>		<u>729,251</u>
Library						
Grants from Heritage Lottery Fund	2,570,550	-	-	(67,340)	-	2,503,210
Total	<u>3,294,526</u>	<u>-</u>	<u>-</u>	<u>(62,065)</u>	<u>-</u>	<u>3,232,461</u>

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Hospital

Investment Replacement Sinking Funds

Under Schemes approved by the Charity Commissioners, Hospital investments worth £183,340 were sold between 1981 and 1992 in order to provide finance for major capital purposes, subject to the restoration of the original sums by means of annual investments through Sinking Funds. This was achieved during the year to 31st August 2014 and the Schemes have been discharged.

E F Jacob Endowment Fund

A fund for the general benefit of the Hospital. Any income generated is credited to unrestricted reserves.

Library

Endowment Fund

The Heritage Lottery Fund grants were given in order to provide substantially improved investment income and thereby to enable improved facilities in the Library. Accordingly, investment income and realised gains, together with expenditure therefrom, are included as part of General Fund movements in the Statement of Financial Activities.

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18. Restricted funds

	<i>Balance at 1 September 2022</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers between funds</i>	<i>Investments gains/(losses)</i>	<i>Balance at 31 August 2023</i>
	£	£	£	£	£	£
Hospital						
Capital Fund - Millgate Extension	895,852	-	(39,668)	-	-	856,184
Capital Fund - New Land	4,500,000	-	-	-	-	4,500,000
Capital Fund - New School Building	17,580,639	-	(585,832)	-	-	16,994,807
Capital Fund – Nicholls Conversion	579,421	-	(18,506)	-	-	560,915
Capital Fund – Concert Hall	6,852,378	-	(197,665)	-	-	6,654,713
Improvements Fund	22,569	-	-	-	-	22,569
New School Development Fund	(1,777,725)	12,243	(110,108)	266,506	-	(1,609,084)
Concert Hall Fund	(196,986)	-	-	-	-	(196,986)
Instrument Fund	193,308	20,763	(7,204)	-	(12,859)	194,008
Nicholls Fund	32,601	-	-	-	-	32,601
Miscellaneous Fund	294	-	-	-	-	294
	28,682,351	33,006	(958,983)	266,506	(12,859)	28,010,021
School						
Vernon Farley Fund	12,887	-	(300)	-	-	12,587
Hazel Smith Fund	14,240	-	(14,240)	-	-	-
Ida Carroll Fund	1,231	-	(2,000)	-	-	(769)
Hospital Prize Fund	81,675	-	(150)	-	-	81,525
Kolbert Music Prize Fund	2,018	-	(50)	-	-	1,968
Academic Prizes Fund	320	20	(15)	-	-	325
Music Prizes Fund	200	100	-	-	-	300
David Hartigan Memorial Piano Fund	2,588	-	-	-	-	2,588
Neil Vint Bursary Fund	33,270	-	(4,100)	-	-	29,170
Milne Fund	229,521	-	(13,120)	-	31,423	247,824
Bursary Fund	1,818,551	194,597	(223,135)	(47,548)	(119,713)	1,622,752
Bateson Family Bursary Fund	918,944	-	(183,569)	-	-	735,375
Leverhulme Trust Bursary Fund	1,420	79,335	(80,000)	-	-	755
Oglesby Bursary Fund	267	41,324	(31,728)	-	-	9,863
2022 matches Funding Bursary Fund	4,605	39,191	(30,000)	-	-	13,796
Tony and Tania Music Prize Fund	10,000	-	(5,000)	-	-	5,000
Hospitallers Camp Fund	14,063	-	(4,450)	-	-	9,613
Mellor Endowment Fund	5,345	-	-	-	-	5,345
Amy Watson Endowment Fund	24,551	-	-	-	-	24,551
John Shaw Bursary Fund	1,502	-	(1,502)	-	-	-
Stoller Bursary Fund	14,304	-	-	-	-	14,304
Ethel Kerry Bursary Fund	1,772,796	-	(88,777)	-	-	1,684,019
Hardship Fund	59,387	-	(3,165)	-	-	56,222
Co-op Fund	415	1,250	(1,250)	-	-	415
Miscellaneous Restricted Fund	59,107	54,039	(9,069)	-	-	104,077
David Gaskill Music Week Fund	-	50,000	(16,666)	(33,334)	-	-
Opera Vocal Course	-	7,500	-	-	-	7,500
David Gaskill - Balance Sheet	-	-	-	33,334	-	33,334
Friends of Chetham's Fund	17,528	1,162	(6)	-	-	18,684
Chets in London Fund	2,521	-	-	-	-	2,521
Stoller Hall Fund	37,867	10,917	(15,238)	-	-	33,546
50 th Anniversary Fund	52,156	5	(6,428)	-	-	45,733
Confucius Classroom Fund	80,976	-	22,609	-	-	103,585
Piano Summer School Fund	108,934	291,367	(216,050)	-	-	184,251
Capital Fund - Instruments	7,083	-	-	-	-	7,083
Grants and Other Income Fund	138,141	218,472	(81,487)	-	-	275,126
	5,528,413	989,279	(1,008,886)	(47,548)	(88,290)	5,372,968

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18. Restricted funds (continued)

Library	<i>Balance at 1 September 2022</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers Between funds</i>	<i>Investments gains/(losses)</i>	<i>Balance at 31 August 2023</i>
	£	£	£	£	£	£
J Paul Getty Fund	-	-	-	-	-	-
Miscellaneous Restricted Fund	1,710	-	-	-	-	1,710
Library Patrons Fund	-	238	-	(238)	-	-
Arts and Heritage Fund	2,470	-	-	-	-	2,470
Heritage Compass Fund	1,250	-	(540)	-	-	710
Conservation Project Fund	4,850	-	-	-	-	4,850
	10,280	238	(540)	(238)	-	9,740
Total	34,221,044	1,022,523	(1,968,409)	218,720	(101,149)	33,392,729

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18. Restricted funds (continued)

Hospital

Building Funds

Capital Fund - Millgate Extension

A fund which represents the depreciated capital cost of the Millgate Extension.

Capital Fund – New Land

A fund which represents the capital value of the new land purchased in 2008 (note 11).

Capital Fund – New School Building

A fund which represents the depreciated capital value of the New School Building.

Capital Fund – Nicholls Conversion

A fund which represents the depreciated capital value of the Nicholls Conversion.

Capital Fund – Concert Hall

A fund which represents the depreciated capital value of the Concert Hall.

Improvements Fund

A fund established from the proceeds of donations from a major anonymous Trust, for use at the discretion of the Feoffees for major improvements.

New School Development Fund

An appeal fund for use in furthering the New School Development Project. This fund is in deficit at 31 August 2022 as expenditure has been incurred in advance of expected income being received. The Feoffees intend to clear this deficit with the receipt of relevant donations and by annual transfers from the Hospital's Unrestricted Fund.

Concert Hall Fund

A fund established for the construction of the School's New Concert Hall. This fund is in deficit at 31 August 2022 as expenditure has been incurred in advance of expected income being received. The Feoffees intend to clear this deficit with the receipt of relevant donations and by annual transfers from the School's Unrestricted Fund.

Other Funds

Instrument Fund

A fund established to give financial assistance to parents of students at the School wishing to purchase new instruments.

Nicholls Fund

A fund that can be used either to give hardship awards to parents in financial difficulties, or towards the maintenance of the Foundation's buildings.

Miscellaneous Restricted Fund

This fund comprises various miscellaneous and small funds, to be used for a variety of charitable purposes

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Restricted funds (continued)

School

Vernon Farley Fund

A fund established in order to make annual prizes for piano-playing and sight-reading.

Hazel Smith Fund

A prize or Bursary awarded annually to a Lower School student who plays piano, woodwind or a string instrument and whose family is in financial need.

Ida Carroll Fund

Prizes awarded annually to double bass players.

Hospital Prize Fund, Kolbert Music Prize Fund, Academic Prizes Fund, Music Prizes Fund

Prizes awarded to students each Speech Day under the terms of a variety of trust funds established by various donors.

David Hartigan Memorial Piano Fund

A fund established in order to make annual awards to deserving piano students of Chetham's School.

Neil Vint Bursary Fund

A Bursary awarded annually to former students of Chetham's School aged between 18 and 25, to help develop their careers.

Milne Fund

This fund was established to help students in financial difficulty and to support the development of the School's facilities.

Bursary Fund

This fund was established to help students who are in need of financial assistance.

Bateson Family Bursary Fund

A fund established for the estate of the late Michael Bateson to provide Bursaries for students at the School who are in financial need.

Andrew Lloyd Webber Foundation Bursary Fund

A fund established to support students at Chetham's who require financial assistance.

Leverhulme Trust Bursary Fund

A fund established to support students at Chetham's who require financial assistance.

Oglesby Bursary Fund

A fund established by the Oglesby Charitable Trust, providing Bursary support to Chetham's students.

2022 Matched Funding Bursary Fund

A fund established to support Ukrainian students at the school.

Tony and Tania Music Prize Fund

A fund established to provide Bursary support to school students.

Hospitallers "Camp" Fund

A fund established in order to assist extra-mural activities.

Mellor Endowment and Amy Watson Endowment Funds

These funds are to provide benefits for the School.

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18. Restricted funds (continued)

John Shaw Bursary Fund

A fund to provide Bursary support to students from Lancashire or Yorkshire.

Stoller Bursary Fund

A fund established by the Stoller Charitable Trust to support students who live in Oldham.

Ethel Kerry Bursary Fund

A fund established from the estate of the late Ethel Kerry, to provide Bursaries for students who live in Lancashire, Yorkshire, Cumbria and Scotland.

Hardship Fund

A fund established to provide support to students at the School who are in financial need.

Co-op Fund

A fund established to help the School.

Miscellaneous Restricted Fund

This fund comprises miscellaneous small restricted funds for a variety of uses.

David Gaskill Fund

A fund established for 2024/25 and 2025/26 to support creative engagement projects (specifically online workshops, increasing participation and skills development).

Brendan and Nicola Doyle (Opera Project)

A fund established for 2 years to support Opera and Stagecraft courses for Chetham's students (2023/24 and 2024/25).

Friends of Chetham's Fund

A fund to support the advancement of education of students at Chetham's by funding projects and facilities as the School requires.

Chets in London Fund

A fund to support the School.

Stoller Hall Fund

A fund to support the costs of running the Stoller Hall.

50th Anniversary Fund

A fund established to support the work of the School in a variety of ways.

Capital Fund – Instruments

A fund representing the depreciated capital value of instruments purchased using the Instrument Fund. This fund is now fully expended.

Confucius Classroom Fund

A fund established for the costs of establishing the Confucius Classroom.

Piano Summer School Fund

A fund established from the surplus generated by the running of the annual Piano Summer School. The fund is to enable the Piano department to facilitate further Summer Schools, to support piano students and to purchase instruments.

Grants and Other Income Fund

This fund shows grants and other restricted income received for specific charitable purposes such as Creative Engagement events and conferences, and specific support for individual students.

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18. Restricted funds (continued)

Library

J Paul Getty Fund

This is a fund for the conservation of Library material. This fund is now fully expended.

Miscellaneous Restricted Fund

This is a fund established for miscellaneous restricted donations.

Library Patrons Fund

This fund is for donations made by Library Patrons and the income is transferred each year to the unrestricted General Fund.

Karl Marx Recording Project Fund

This is a fund established with a grant from the Lipman Miliband Trust for digitising and making facsimiles of the books used by Marx when he visited the Library.- This fund is now fully expended.

Arts and Heritage Fund

This is a fund established for an art installation in the Library.

Booth Charities Fund

This is a fund established for a project on the history of Salford. This fund is now fully expended.

Hills Archive Fund

This is a fund established to meet the expenses of cataloguing the Hills Archive Collection. This fund is now fully expended.

HLF Project Fund

This is a fund established to support the HLF application for the visitor attraction project. This fund is now fully expended.

Heritage Compass Fund

A fund established to provide training support for two development departments.

Conservation Project Fund

A fund established to support the conservation work of the library.

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19. Unrestricted funds

	<i>Balance at 1 September 2022</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers between funds</i>	<i>Investment gains/ (losses)</i>	<i>Balance at 31 August 2023</i>
	£	£	£	£	£	£
<i>Hospital</i>						
General Fund	2,631,384	630,268	(270,283)	(316,506)	32	2,674,895
Designated funds:						
Palatine Demolition Fund	(278,907)	-	-	50,000	-	(228,907)
	<u>2,352,477</u>	<u>630,268</u>	<u>(270,283)</u>	<u>(266,506)</u>	<u>32</u>	<u>2,445,988</u>
<i>School</i>						
General Fund	6,508,424	10,380,637	(11,103,522)	906,166	(70,999)	6,620,706
Designated funds:						
Chiller Unit Fund	30,000	-	-	-	-	30,000
Millgate Building Refurbishment Fund	307,130	-	-	(307,130)	-	-
Dining Room Refurbishment Fund	91,725	-	-	-	-	91,725
Chesters Bequest Fund	794,120	55,092	(31,157)	(563,488)	-	254,567
Organ Cash Settlement Fund	475,000	-	-	12,000	-	487,000
Music Department & Tour Fund	(1,221)	2,000	(1,684)	-	-	(905)
	<u>8,205,178</u>	<u>10,437,729</u>	<u>(11,136,363)</u>	<u>47,548</u>	<u>(70,999)</u>	<u>7,483,093</u>
<i>Library</i>						
General Fund	<u>390,437</u>	<u>212,523</u>	<u>(241,129)</u>	<u>238</u>	<u>(28,968)</u>	<u>333,101</u>
	<u>10,948,092</u>	<u>11,280,520</u>	<u>(11,647,775)</u>	<u>(218,720)</u>	<u>(99,935)</u>	<u>10,262,182</u>

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19. Unrestricted funds (continued)

Hospital

Palatine Demolition Fund

A fund established for the costs of demolishing the Palatine Building. This fund is in deficit at 31 August 2023 as expenditure has been incurred in advance of expected income being received. The Feoffees intend to clear this Fund's deficit with the receipt of relevant donations and by annual transfers from the Hospital's Unrestricted Fund.

School

Chiller Unit Fund

A fund established to provide resources for replacing the Chiller Unit in the New School Building at the end of its useful life.

Millgate Building Refurbishment Fund

A fund established for the refurbishment of the boys' boarding accommodation and improvements to other areas in the Millgate Building.

Dining Room Refurbishment Fund

A fund established for the refurbishment of the School's dining room.

Chesters Bequest Fund

A fund established from a bequest to support developments at the school.

Organ Cash Settlement Fund

A fund established to hold the insurance cash settlement for the fire damaged Whiteley Hall Organ.

Music Department Tour Fund

A fund established to manage the costs of overseas Music Department tours.

20. Pensions arrangements

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £824,495 (2022: £781,225), and at the year-end £nil (2022 - £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023.

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20. Pension arrangements (continued)

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

In addition, a small number of employees are members of the Greater Manchester Pension Fund ("GMPF"). The GMPF is a multi-employer final salary defined benefit scheme and the assets of the School are pooled with similar institutions for actuarial valuation purposes. Accordingly, under FRS 102 the Scheme is accounted for as a defined contribution scheme.

The pension cost is assessed every three years in accordance with the advice of an independent qualified actuary. The latest actuarial valuation of the scheme was at 31 March 2022 when the market value of the assets of the Scheme was £29,324 million, being 104% of members' accrued benefits.

The pension contributions made to the Scheme for the year ended 31 August 2023 were £4,714 (2022-£19,902). The employee contribution rate varied between 5.5% and 6.8% depending upon actual pay levels. The employer contribution rate was 25.1% to March 2022 and then 25.4%.

In addition to the above, the contributions to a money purchase scheme amounted to £112,415 (2022-£108,025).

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21. Operating lease commitments

The School has minimum lease payments under non-cancellable operating leases as follows:

	<i>Equipment</i>	
	2023	2022
	£	£
Within one year	26,652	14,132
Between two and five years	103,496	13,846
After five years	<u>132,593</u>	-
	<u>262,741</u>	<u>27,978</u>

22. Financial Instruments

	2023	2022
	£000	£000
Financial assets measured at amortised cost (a)	7,411	9,211
Financial assets measured at fair value (b)	9,978	10,249
Financial liabilities measured at amortised cost (c)	(4,808)	(4,804)
	<u> </u>	<u> </u>
Net financial assets measured at amortised cost	23,205	14,654
	<u> </u>	<u> </u>

(a) Financial assets include cash, trade and fee debtors, staff loans, other debtors accrued income and amounts due from subsidiaries

(b) Financial assets held at fair value include assets held as investments

(c) Financial liabilities include deposits, fees in advance, trade creditors, and other creditors

Impairment losses charged to financial assets measured at amortised cost in the year amounted to £nil (2022: £nil).

23. Related party transactions

There are no related party transactions that need to be disclosed in the financial statements.

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24. Statement of financial activities – comparative figures by fund

	<i>Notes</i>	<i>Hospital Funds</i> £	<i>School Funds</i> £	<i>Library Funds</i> £	<i>2022</i> £
Income from:					
Charitable activities:					
School fees	2	-	10,067,230	-	10,067,230
Ancillary activities	6	554	700,911	30,470	731,935
Other trading activities:					
Activities for generating funds	3	267	489,324	748	490,339
Investments:					
Investment income	4	13,697	159,748	89,283	262,728
Voluntary sources:					
Bequests and donations	5	27,138	1,546,054	41,099	1,614,291
Grants received		-	96,289	-	96,289
Total incoming resources		41,656	13,059,556	161,600	13,262,812
Expenditure on:					
Raising funds:					
Fundraising		12,870	103,372	-	116,242
Publicity		-	163,519	-	163,519
Conference, facility hire and trading costs		547	408,548	-	409,095
Financing costs		119,808	2,803	-	122,611
Investment management costs		2,884	31,110	15,261	49,255
		136,109	709,352	15,261	860,722
Charitable activities:					
Teaching costs – academic		-	2,015,111	-	2,015,111
Teaching costs – music		20,000	3,993,322	-	4,013,322
Welfare		-	1,648,945	-	1,648,945
Premises		1,089,406	1,969,398	-	3,058,804
Scholarships and Bursaries		-	599,967	-	599,967
Grants, awards and prizes		5,000	10,403	-	15,403
Library running costs		-	-	202,179	202,179
Support and Governance costs		53,956	87,583	1,662	143,201
		1,168,362	10,324,729	203,841	11,696,932
Total resources expended	9	1,304,471	11,034,081	219,102	12,557,654
Net income/(expenditure)		(1,262,815)	2,025,475	(57,502)	705,158
Transfer between funds	10	727,000	(727,000)	-	-
Gains/(losses) on investment assets:					
Realised		(1,557)	(67,855)	(16,066)	(85,478)
Unrealised		(66,639)	(630,057)	(142,763)	(839,459)
Net movement in funds		(604,011)	600,563	(216,331)	(219,779)
Fund balances at 1 September 2021		32,362,815	13,133,028	3,187,598	48,683,441
Fund balances at 31 August 2022		31,758,804	13,733,591	2,971,267	48,463,662